

**OFGEM DECISION LETTER No. 0564**  
"Amendment to period of Summer Capacity Auctions to Six Months"  
Version 1.0

Direct Dial: 020-7901-7437

5 July 2002

UK Transco, Shippers and Other Interested Parties

Our Ref : Net/Cod/Mod/0564

Dear Colleague,

**Modification Proposal 0564 *'Amendment to period of Summer Capacity Auctions to Six Months'***

Ofgem has considered the request from Shell Gas Direct for Modification Proposal 0564, *'Amendment to period of Summer Capacity Auctions to Six Months'* to follow urgent procedures. We agree that this modification merits urgent status.

This modification proposal would amend the Network Code to provide for two separate six-monthly allocations of Monthly System Entry Capacity (MSEC) to Transco's National Transmission System covering the period 1 October 2002 to 30 September 2003. The first MSEC auction relating to the period 1 October 2002 to 31 March 2003 would be held in summer 2002 and the second auction for MSEC relating to the period 1 April 2003 to 30 September 2003 would be held in February 2003. The Network Code currently provides for one 12-month MSEC allocation covering the period 1 October 2002 to 30 September 2003 to be conducted by 31 August 2002.

Transco anticipates that the forthcoming MSEC auctions would start in early August 2002. Urgent status is necessary to ensure that a decision on this proposal is made well before these auctions to give Transco and shippers certainty about the period of MSEC that will be allocated in these auctions. Ofgem considers that any certainty gained from an early decision on this proposal should assist shippers in planning and formulating their bidding strategies.

The timetable for the modification proposal to follow urgent status is set out below.

<i>Issued to Ofgem for decision on urgency</i>	5 July 2002
<i>Proposal agreed as urgent</i>	5 July 2002
<i>Proposal issued for consultation</i>	5 July 2002
<i>Close out for representations</i>	12 July 2002
<i>Final report to Ofgem</i>	17 July 2002
<i>Ofgem decision expected</i>	19 July 2002

If you have any queries in relation to the issues raised in this letter, please feel free to contact me on the above number or Lyn Camilleri on 020 7901 7431.

Yours sincerely,

Mark Feather  
**Head of New Gas Trading Arrangements**